

On the third point, the Reciprocity Treaty, the Canadian Ministers represented the great importance to Canada of the renewal of that treaty, and requested that Sir F. Bruce might be put in communication with the Government of Lord Monck upon the subject. We replied that Sir F. Bruce had already received instructions to negotiate for a renewal of the treaty, and to act in concert with the Government of Canada.

On the fourth point, the subject of the North-western Territory, the Canadian Ministers desired that that territory should be made over to Canada, and undertook to negotiate with the Hudson's Bay Company for the termination of their rights, on condition that the indemnity, if any, should be paid by a loan to be raised by Canada under the Imperial guarantee. With the sanction of the Cabinet, we assented to this proposal, undertaking that if the negotiation should be successful we on the part of the Crown being satisfied that the amount of the indemnity was reasonable, and the security sufficient, would apply to the Imperial Parliament to sanction the arrangement and to guarantee the amount.

On the last point, it seemed sufficient that Her Majesty's Government should accept the assurances given by the Canadian Ministers on the part of Canada, that that Province is ready to devote all her resources both in men and money to the maintenance of her connexion with the Mother Country, and should assure them in return that the Imperial Government fully acknowledged the reciprocal obligation of defending every portion of the Empire with all the resources at its command.

The Canadian Ministers in conclusion said, that they hoped it would be understood that the present communications did not in any way affect or alter the correspondence which had already passed between the Imperial Government and the Governments of the British North American Provinces on the subject of the Intercolonial Railway. To this we entirely agreed.

Governor General
Viscount Monck,
&c. &c.

I have, &c.
(Signed) EDWARD CARDWELL.
